

GEORGIA REVENUE QUARTERLY



Sonny Perdue, Governor

Bart L. Graham, Commissioner

Collection Plan Directed At Delinquent Taxpayers

The Georgia Department of Revenue has initiated an aggressive plan aimed at 420,693 delinquent taxpayers. This number includes 287,068 individuals who owe income tax and the remainder are businesses which are delinquent in paying withholding, sales and use and corporate income taxes.

The delinquent accounts date back to 1988 and the taxpayers owe \$1.6 billion collectively. The Department has filed a *fieri facias* (Fi Fa) against each individual or business and recorded the Fi Fa in the state superior court where the individual or business is located.

Phase one of the four-phase plan was initiated in mid-September with the mailing of proposed assessment notices to 13,000 delinquent individual taxpayers. The core

feature of the plan is to reduce the amount of time between initial notification of proposed assessment to turning the account over to a private collection agency. Eliminating two courtesy notices the Department had been mailing to delinquent taxpayers will reduce the collection cycle from 480 days to 165 days.

The Department estimates there are approximately 1.5 million accounts that need to be worked. (See chart on Page 2)

To work through the backlog, the Department intends to turn over approximately 5,000 accounts per week to the five private collection agencies currently under contract with the Department.

The number of contracted PCAs could

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Alcohol License Renewals To Receive More Stringent Review

Between October 1 and December 31, the Revenue Department will be renewing the alcoholic beverage licenses of approximately 17,000 individuals and businesses.

During the renewal process, DOR personnel will be cross checking the license holder's various state tax accounts to ensure there are no outstanding obligations. If an outstanding obligation is discovered, the renewal application could be denied.

Whether or not the application is denied will depend on the status of the tax obligation. If the taxpayer failed to pay the total amount due on a return the individual

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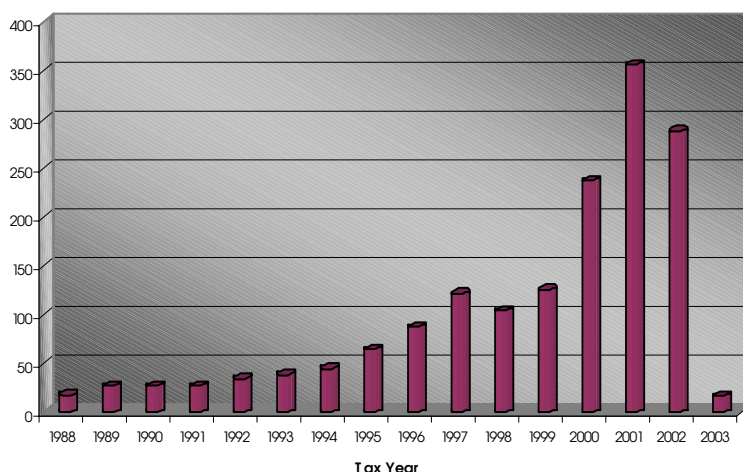
or business submitted to the Department, the application will be denied. If the Department has notified the business or individual that there is an official assessment against them, the renewal application will also be denied.

The Department estimates that 3,000 taxpayers, out of the 17,000 alcohol license holders, owe the state \$100 or more. One hundred thirty seven taxpayers, who either have or had an alcohol license and have been issued a *fieri facias* (Fi Fa), owe the state approximately \$4.3 million in taxes, penalties and interest.

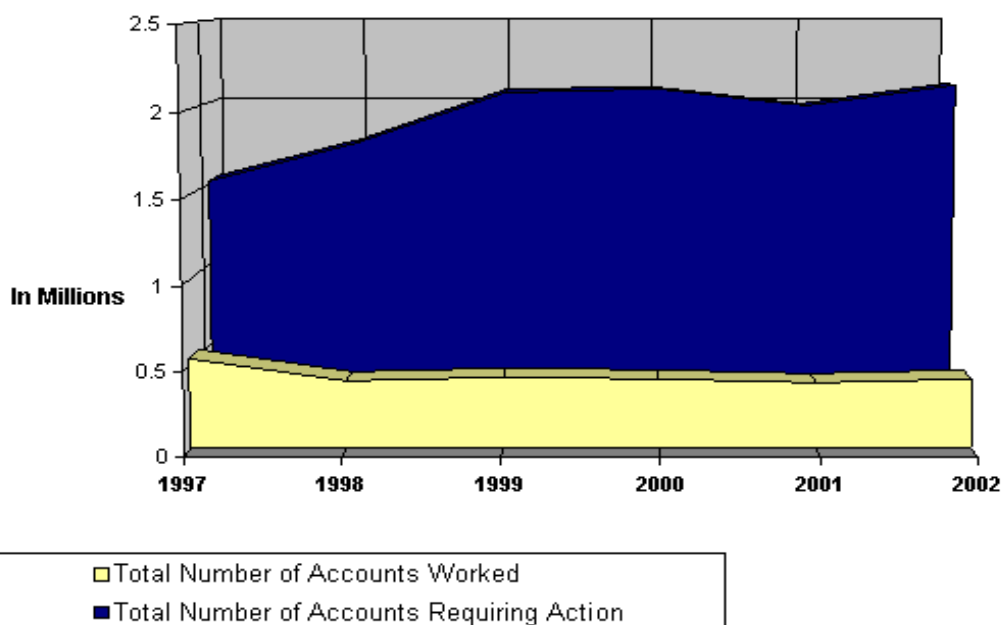
The Department has notified the various associations, which have alcohol licenses holders among their membership, of the more diligent license renewal process.

**Aged Accounts Receivable
(in Millions of Dollars)**

Liabilities shown are for that tax year and are not compounded across the chart.



**Comparison of Total Accounts Receivable
to Accounts Completed**



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be increased by two or three sometime next year.

Georgia Revenue Commissioner Bart L. Graham emphasized that the initiative is not intended to get an extra \$100 from conscientious taxpayers. It is designed to go after individuals and businesses that have made no effort to settle their state tax obligations.

"We intend to aggressively pursue non-filers and non-payers in a fair and ethical manner," Graham stated.

Phase two of the plan will be directed at delinquent businesses and trust tax (sales and use tax and withholding tax) accounts. This effort is designed to reduce the collection cycle from 480 days to 245 days.

Phase three will focus on using automation to identify

taxpayers who have not filed individual tax returns. Phase four will establish a greater enforcement and review of tax credits taken by companies.

The Department intends to resource phases one and two with money generated by the collection initiative and reassigning present employees. Phases three and four will require additional state funding.

DOR Revises Penalties For Alcohol Licensees

The Department of Revenue is revising the penalties for alcohol licensees who are cited for outstanding tax liabilities before the Department's administrative hearing officer.

The penalties range from license suspension and administrative fines to license revocation and rejection of any application for an alcohol or tobacco license for a two-year period or until all outstanding tax, interest, penalties and administrative fines are paid.

Income Tax Filers Donate \$830,413.11 To Charities

Georgia taxpayers contributed \$830,413.11 to three state funds using the donations to special funds provision on their 2002 personal income tax return.

"As these contributions demonstrate, Georgians are a compassionate and caring people who are willing to give of themselves to help their fellow citizens and protect valuable wildlife," said Governor Sonny Perdue. "Through this simple and convenient method, I encourage the people of our state to continue making charitable contributions to these three important programs."

Amounts donated were \$245,002.46 to the Georgia Fund for Children and Elderly; \$298,381.28 to the Breast Cancer, Prostate Cancer and Ovarian Cancer Research Program Fund; and \$287,029.37 to the Wildlife Conservation Fund.

The Georgia Fund for Children and Elderly supports programs for preschool children with health, educational and emo-

tional needs and funds elderly services, such as home-delivered meals and transportation to medical appointments.

The Breast Cancer, Prostate Cancer and Ovarian Cancer Research Program Fund provides money to continue the most innovative and promising research in breast, prostate and ovarian cancer.

The Wildlife Conservation Fund provides money to protect and conserve Georgia's nongame wildlife.

Taxpayers make contributions to the funds by either allocating a portion of their refund to a fund or increasing the amount of tax due by the amount they desire to donate.

The Revenue Quarterly is a publication of the Georgia Department of Revenue. Comments and suggestions should be addressed to the Georgia Department of Revenue, Public Information Office, 1800 Century Center Boulevard, Suite 15114, Atlanta, GA 30345-3205. The telephone number is 404-417-2106. Address e-mail to cwwilley@gatax.org.